

## House Resolution 1203 (COMMITTEE SUBSTITUTE)

By: Representatives Parrish of the 156<sup>th</sup> and Rynders of the 152<sup>nd</sup>

## A RESOLUTION

1 Proposing an amendment to the Constitution so as to provide that the sales and use tax for  
2 educational purposes may be imposed in whole or in part for maintenance and operation of  
3 public schools and may include a millage rate reduction; to provide for the submission of this  
4 amendment for ratification or rejection; and for other purposes.

5 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

## SECTION 1.

7 Article VIII, Section VI of the Constitution is amended by revising Paragraph IV as follows:

8 "Paragraph IV. ***Sales tax for educational purposes.*** (a) The board of education of each  
9 school district in a county in which no independent school district is located may by  
10 resolution and the board of education of each county school district and the board of  
11 education of each independent school district located within such county may by  
12 concurrent resolutions impose, levy, and collect a sales and use tax for educational  
13 purposes of such school districts conditioned upon approval by a majority of the qualified  
14 voters residing within the limits of the local taxing jurisdiction voting in a referendum  
15 thereon. This tax shall be at the rate of 1 percent and shall be imposed for a period of time  
16 not to exceed five years, but in all other respects, except as otherwise provided in this  
17 Paragraph, shall correspond to and be levied in the same manner as the tax provided for by  
18 ~~Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to the~~  
19 ~~special county 1 percent sales and use tax, as now or hereafter amended~~ general law.  
20 ~~Proceedings for the reimposition of such tax shall be in the same manner as proceedings~~  
21 ~~for the initial imposition of the tax, but the newly authorized tax shall not be imposed until~~  
22 ~~the expiration of the tax then in effect.~~

23 (b) The purpose or purposes for which the proceeds of the tax are to be used and may be  
24 expended include:

25 (1) Capital outlay projects for educational purposes;

26 (2) The retirement of previously incurred general obligation debt with respect only to  
27 capital outlay projects of the school system; provided, however, that the tax authorized

under this Paragraph shall only be expended for the purpose authorized under this subparagraph (b)(2) if all ad valorem property taxes levied or scheduled to be levied prior to the maturity of any such then outstanding general obligation debt to be retired by the proceeds of the tax imposed under this Paragraph shall be reduced by a total amount equal to the total amount of proceeds of the tax imposed under this Paragraph to be applied to retire such bonded indebtedness. In the event of failure to comply with the requirements of this subparagraph (b)(2), as certified by the Department of Revenue, no further funds shall be expended under this subparagraph (b)(2) by such county or independent board of education and all such funds shall be maintained in a separate, restricted account and held solely for the expenditure for future capital outlay projects for educational purposes; ~~or~~

(3) Educational maintenance and operation purposes which may include a reduction of the applicable millage rate against tangible property within the school district; or

~~(3)~~(4) A combination of the foregoing.

(c) The resolution calling for the imposition of the tax and the ballot question shall each describe:

(1) The specific capital outlay projects to be funded, or the specific debt to be retired, or both, if applicable;

(2) The maximum cost of such project or projects and, if applicable, the maximum amount of debt to be retired, which cost and amount of debt shall also be the maximum amount of net proceeds to be raised by the tax; ~~and~~

(3) The maximum period of time, to be stated in calendar years or calendar quarters and not to exceed five years; and

(4) The maximum amount of net proceeds to be expended on educational maintenance and operations and whether a reduction of the applicable millage rate against tangible property in the school district will be applied.

(d) If a concurrent resolution is required under subparagraph (a) of this Paragraph, the items enumerated under subparagraphs (c)(1), (c)(2), and (c)(4) of this Paragraph shall be specified separately for the board of education of the county school district and the board of education of an independent school district. The same maximum period of time under subparagraph (c)(3) of this Paragraph shall be specified by the board of education of the county school district and the board of education of an independent school district.

~~(d)~~(e) Nothing in this Paragraph shall prohibit a county and those municipalities located in such county from imposing as additional taxes local sales and use taxes authorized by general law.

~~(e)~~(f) The tax imposed pursuant to this Paragraph shall not be subject to and shall not count with respect to any general law limitation regarding the maximum amount of local sales and use taxes which may be levied in any jurisdiction in this state.

~~(f)~~(g) The tax imposed pursuant to this Paragraph shall not be subject to any sales and use tax exemption with respect to the sale or use of food and beverages which is imposed by law.

~~(g)~~(h) The net proceeds of the tax shall be distributed between the county school district and the independent school districts, or portion thereof, located in such county according to the ratio the student enrollment in each school district, or portion thereof, bears to the total student enrollment of all school districts in the county or upon such other formula for distribution as may be authorized by local law. For purposes of this subparagraph, student enrollment shall be based on the latest FTE count prior to the referendum on imposing the tax.

~~(h)~~(i) Excess proceeds of the tax which remain following expenditure of proceeds for authorized projects or purposes for education shall be used solely for the purpose of reducing any indebtedness of the school system. In the event there is no indebtedness, such excess proceeds shall be used by such school system for the purpose of reducing its millage rate in an amount equivalent to the amount of such excess proceeds. For purposes of this subparagraph, excess proceeds shall also be deemed to include any interest earned with respect to the proceeds of the tax.

~~(i)~~(j) The tax authorized by this Paragraph may be imposed, levied, and collected as provided in this Paragraph without further action by the General Assembly, but the General Assembly shall be authorized by general law to further define and implement its provisions including, but not limited to, the authority to specify the percentage of net proceeds to be allocated among the projects and purposes for which the tax was levied.

~~(j)~~(k)(1) Notwithstanding any provision of any constitutional amendment continued in force and effect pursuant to Article XI, Section I, Paragraph IV(a) and except as otherwise provided in subparagraph ~~(j)~~(k)(2) of this Paragraph, any political subdivision whose ad valorem taxing powers are restricted pursuant to such a constitutional amendment may receive the proceeds of the tax authorized under this Paragraph or of any local sales and use tax authorized by general law, or any combination of such taxes, without any corresponding limitation of its ad valorem taxing powers which would otherwise be required under such constitutional amendment.

(2) The restriction on and limitation of ad valorem taxing powers described in subparagraph ~~(j)~~(k)(1) of this Paragraph shall remain applicable with respect to proceeds received from the levy of a local sales and use tax specifically authorized by a constitutional amendment in force and effect pursuant to Article XI, Section I, Paragraph

100 IV(a), as opposed to a local sales and use tax authorized by this Paragraph or by general  
101 law."

102 **SECTION 2.**

103 The above proposed amendment to the Constitution shall be published and submitted as  
104 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the  
105 above proposed amendment shall have written or printed thereon the following:

106 "( ) YES Shall the Constitution of Georgia be amended so as to provide that the sales  
107 and use tax for educational purposes may be imposed in part for  
108 ( ) NO maintenance and operation of public schools and may include a millage rate  
109 reduction?"

110 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

111 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If  
112 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall  
113 become a part of the Constitution of this state.